UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

Mailed: 8/25/03

Opposition No. 117,294
Opposition No. 118,064

Valentino Couture, Inc.

v.

Vantage Custom Classics, Inc.

Before Simms, Chapman and Holtzman, Administrative Trademark Judges.

Holtzman, Administrative Trademark Judge:

This consolidated case now comes up on opposer's motion for summary judgment filed February 26, 2003.[1] The motion has been fully briefed.

As background for this matter, opposer, Valentino Couture, Inc., has opposed registration of the following marks:

for "all purpose leather and cloth athletic bags; leather and cloth all purpose sport bags; leather and cloth barrel bags;

[1] The two oppositions were consolidated by the Board on January 26, 2001.

leather and cloth school book bags; leather and cloth tote bags; leather and cloth travel bags; leather and cloth garment bags for travel" in International Class 18; and

for "custom embroidered sportswear, namely men's and women's shirts, men's and women's polo shirts, rugby shirts, sweaters, cardigans, pullovers, vests, jackets, warm-up pants, shorts, bathrobes, sweatshirts, and caps" in International Class 25;[2]

for "stadium blankets" in International Class 24; and

for "sportswear, namely men's and women's golf shirts, rugby shirts, cardigans, sweaters, vests, jackets, warm-up pants, shorts, bathrobes, t-shirts, sweatshirts, golf caps and baseball caps" in International Class 25.[3]

Relying on prior use and its ownership of a number of registrations for the mark V (in an oval) for clothing and accessory items, opposer claims in the notices of opposition that applicant's mark, when used in connection with the identified goods, is likely to cause confusion with opposer's mark. Applicant, in its answers, denied the salient allegations of the oppositions. On May 15, 2002, the parties

[2] Application Serial No. 75/563,253, filed October 1, 1998, based on an allegation of a bona fide intention to use the mark in commerce. This application is the subject of Opposition No. 118,064.

[3] Application Serial No. 75/549,968, filed September 8, 1998, based on an allegation of a bona fide intention to use the mark in commerce. This application is the subject of Opposition No. 117,294.

entered into an agreement in settlement of this consolidated case. The settlement agreement is the basis for opposer's motion for summary judgment.

In support of its motion, opposer has submitted the declaration with exhibits of opposer's counsel, Robert H. Cameron. The exhibits include a copy of the signed settlement agreement, correspondence between the parties leading up to the agreement and following execution of the agreement, applicant's draft of an express abandonment of its two involved applications, and applicant's draft of its proposed new application for five classes of goods, namely Classes 18, 24, 25, 26 and 28.

By its motion for summary judgment, opposer essentially alleges that applicant is precluded by the terms of the agreement from registering the marks in this case. We note that opposer has not moved to amend the oppositions to assert this claim and ordinarily, a party may not obtain summary judgment on an issue which has not been pleaded. However, because the parties have treated this issue on its merits and applicant has not objected to the motion on that ground, the Board deems the pleading to have been amended to allege the matter. See Paramount Pictures Corp. v. White, 31 USPQ2d 1768 (TTAB 1994). See also Saint-Gobain Abrasives, Inc. v. Unova

Industrial Automation Systems, Inc., 66 USPQ2d 1355 (TTAB 2003).

We also note that opposer's motion was filed after the commencement of the trial period as reset by agreement of the parties. While generally such motions are untimely, applicant did not object to the motion on the ground of timeliness and moreover the issue did not even arise until execution of the settlement agreement. Under the circumstances, and in the interest of judicial economy, the motion will be decided on the merits. See, e.g., Food Land, Inc. v. Foodtown Supermarkets, Inc., 138 USPQ 591 (TTAB 1963).

The following facts are undisputed. The parties exchanged correspondence for a number of months leading up to the settlement agreement and the agreement was signed by the parties on May 15, 2002. The relevant portions of the agreement appear below.[4]

...

> WHEREAS, Valentino and Vantage wish to avoid the expense and inconvenience of further legal proceedings and to settle all the controversies that may exist between them;
>
> ...the parties agree as follows:

[4] Although the agreement has been marked "confidential" by the parties, its confidentiality has been waived by both parties' discussion of the specific terms of the agreement in their briefs. In any event, materials filed in the absence of a protective order (as here) are not regarded as confidential and are not kept confidential by the Board. See TBMP § 412.04 (2d ed. June 2003).

2. **Abandonment of Vantage's Applications:** Within 20 days of the Effective Date of this Agreement, Vantage [applicant] will file with the U.S. Patent and Trademark Office and serve on Valentino [opposer] an express abandonment of Application Serial Nos. 75/549,968 and 75/563,253 [applications herein] and will re-file a single three-class trademark application for the same goods listed above for VANTAGE & V in Oval Design (the "New Applications")

4. **Payment by Valentino.** Within 10 business days of receipt of notice from Vantage that it has abandoned Application Serial Nos. 75/549,968 and 75/563,253, Valentino will send a check to Pearce, Vort & Fleisig, LLC in the amount of $1,100 made payable to "Randy T. Pearce, Esq. Attorney Trust Account."

...

10. **Entire Agreement:** This agreement is the entire agreement between the parties regarding the subject matter of this Agreement and supersedes all other such agreements, promises, representations, negotiations and discussions, whether written or oral, between the parties. No amendment to this Agreement is valid or effective unless in writing and signed by both parties.

Following execution of the agreement, applicant, on May 24, 2002, sent a letter to opposer enclosing for opposer's review and approval a proposed draft of its new application along with a draft of applicant's proposed express abandonment of its involved applications. Applicant states in the letter: "Once we receive your check for $1,100 for attorneys fees and $1,225 for the filing fees, we will forward the required documents for filing."

Notwithstanding that the involved applications cover goods only in International Classes 18, 24, and 25, the new application included additional goods in International Classes 26 and 28, two classes that are not covered in the original applications.

Although the settlement agreement provides that the abandonment and the new application would be filed within 20 days of the effective date of the agreement, applicant, to date, has filed neither. In January 2003, trademark application filing fees in the USPTO increased from $325 per class to $335 per class.

Arguing that it is entitled to judgment as a matter of law, opposer maintains that there is no genuine issue of fact that the parties entered into a settlement agreement in which applicant agreed to abandon both of the applications involved in this consolidated case within 20 days of the effective date of the agreement and that applicant should be held to that agreement.

It is applicant's position, however, that in view of an asserted mutual mistake of the parties and failure of consideration, summary judgment is not appropriate because there is a genuine issue as to the true intent of the parties. Applicant complains that the agreement does not "further the intent of the parties" because "the monetary amount agreed to

in the Settlement Agreement was based upon [opposer's] obligation to pay all filing fees and legal costs." (Brief, unnumbered p. 10, emphasis in original). Applicant believes that "[i]n order to now file a complete application, applicant must include five classes" (brief, unnumbered p. 4) and that because the settlement agreement was, in applicant's words, "premised upon [opposer] paying all costs and attorney's fees to accomplish the filing" (brief, unnumbered p. 5), it would be inequitable to enforce the agreement as written.

Applicant argues that the agreement did not contemplate the increase in fees because at the time of the contract, both parties mistakenly believed that applicant would only need to file a three-class application and that the filing would cost $325 per class. Applicant claims that in correspondence leading up to the agreement, opposer stated that it would "cover filing fees, costs, and attorney's fees" associated with the new application. In this regard, applicant points to opposer's offer in its December 3, 2001 letter to increase the payment to applicant from $950 to $1,100 and the accompanying statement by opposer that "this amount should be more than adequate to cover the filing and legal costs." Applicant maintains that if the agreement is enforced, applicant will not receive consideration necessary for the new application on

which it had based its negotiations and ultimate decision to enter into the agreement.

In reply, opposer points out that applicant was supposed to have filed its new application within 20 days of signing the agreement on May 15, 2002, long prior to the increase in filing fees, and that throughout negotiations and in accordance with the terms of the agreement applicant was to refile in three, not five classes. Opposer insists that there was no agreement or intent that applicant would be provided with consideration for both filing fees and attorney's fees for the new application.

The Board can give effect to a settlement agreement to the extent that the agreement is relevant to issues properly before the Board. See Selva & Sons, Inc. v. Nina Footwear, Inc., 705 F.2d 1316, 217 USPQ 641, 647 (Fed. Cir. 1983) (stating that the Board may "consider the agreement, its construction or its validity if necessary to decide the issues properly before it..., including the issue of estoppel."). The issue of whether applicant is contractually barred from obtaining registrations for these marks is within the jurisdiction of the Board. See Kimberly-Clark Corp. v. Fort Howard Paper Co., 772 F.2d 860, 863, 227 USPQ 36, 38 (Fed. Cir. 1985).

Summary judgment is appropriate when there are no genuine issues of material fact and the moving party is entitled to judgment as a matter of law. See Fed. R. Civ. P. 56(c). All doubts as to whether any factual issues are genuinely in dispute must be resolved against the moving party and all inferences to be drawn from the undisputed facts must be viewed in the light most favorable to the nonmoving party. See Olde Tyme Foods Inc. v. Roundy's Inc., 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992).

The question of whether opposer is entitled to summary judgment on the basis of the settlement agreement requires construction of the terms of the agreement. We have construed the agreement in accordance with the laws of the State of New Jersey pursuant to paragraph 8 of the agreement.

The starting point for construing a settlement agreement is discerning the intent of the parties. Buono Sales, Inc. v. Chrysler Motors Corp., 239 F.Supp. 839 (D.N.J. 1965), rev'd on other grounds, 363 F.2d 43 (3rd Cir. 1966), cert. den., 385 U.S. 971, 87 S.Ct. 510 (1966). The intent of the parties is determined from the language used in the agreement. Buono Sales, Inc., supra. Where the language in an agreement is clear and unambiguous, the agreement must be enforced as written, without reference to extrinsic facts. Schor v. FMS Financial Corp., 814 A.2d 1108 (N.J. Super. Ct. App. Div.

2002). If, however, the terms of an agreement are ambiguous, a party may introduce proof of extrinsic circumstances bearing on the alleged proper interpretation of the language used. See Schor, supra. "An ambiguity in a contract exists if the terms of the contract are susceptible to at least two reasonable alternative interpretations." Schor, supra at 1112 (citations omitted).

The construction of an agreement is a question of law and the Board will decide whether the terms in the agreement are clear or ambiguous. Schor, supra. If there is a genuine issue of material fact as to the meaning of a term, summary judgment is not appropriate. Schor, supra.

Applying the principles of contract construction to this agreement, we have no difficulty concluding that opposer is entitled to judgment as a matter of law.

As reflected in the language of the agreement, the intent of the parties is clear. Applicant, for its part, was required to abandon the two applications which are the subject of this consolidated proceeding and file a single three-class application for the same goods identified in the abandoned applications. Ten days after receiving notice of the abandonment, opposer would send applicant a check for $1,100. Thus, while applicant claims that the agreement "does not further the intent of the parties" applicant has not pointed

to any ambiguity in a single provision or term in the agreement which would even arguably support this contention.

In fact, there are no ambiguous terms or provisions in the agreement. The terms are simple, straightforward and clear. There is nothing in the language to suggest that opposer is, or at some future date might be, obligated for additional payments to applicant. There is nothing in the agreement which states or implies that opposer's $1,100 payment contradicts an alleged intention to cover all of applicant's costs and fees. It is apparent that applicant is dissatisfied with the agreement as written but having signed an agreement that is clear on its face, applicant is bound by its terms.

Applicant's claim of "mutual mistake" is meritless. Any mistaken belief that the settlement agreement was entered into "for the express purpose of paying filing fees, costs associated with filing, and attorney's fees" was applicant's alone. As stated by the Court in Schor, supra at 1112 (citations omitted), "[a] party to a contract is bound by the apparent intention he or she outwardly manifests to the other party. It is immaterial that he or she had a different, secret intention from that outwardly manifested."

Applicant's claim of "failure of consideration" is equally meritless. As explained in Giumarra v. Harrington Heights, 109 A.2d 695, 701 (N.J. Super. Ct. App. Div. 1955), aff'd 114

A.2d 720 (J.J. 1955), failure of consideration exists where "one who has promised to give some performance fails, without his fault, to receive in some material respect the agreed exchange for that performance." In this case, if applicant performs as agreed, applicant will receive precisely the consideration it bargained for, $1,100 and a settlement of the case. Applicant has otherwise incurred higher fees and additional costs by its own deliberate actions – its deliberate and unwarranted delay in filing the new application and its deliberate decision to file a new application for goods in classes that are not covered by the agreement.[5]

Because the agreement is unambiguous on its face and there is no issue to be resolved as to the meaning of any language in the agreement, the agreement is enforceable as written and extrinsic evidence of the circumstances leading up to the agreement need not be considered. Schor, supra. Even if we do look to this evidence, however, we find that it fully supports this construction.

Applicant's interpretation of the statements in opposer's letters is simply not reasonable. Contrary to applicant's contention, the letters contain no offer, either express or implied, to cover all the costs and fees associated with

[5] Not that it affects any aspect of our decision, but we note that applicant has never explained why its application would be "incomplete" without the two additional classes of goods.

applicant's new application. It is clear, particularly considering all the circumstances, that opposer's proposed increase in the payment from $950 to $1,100 along with its statement that the amount "should be more than adequate to cover the filing and legal costs" was not an offer to cover all of applicant's costs but was instead an offer of compromise to applicant in furtherance of settlement which applicant was free to reject. Applicant chose to accept it.

In view of the foregoing, opposer is entitled to judgment as a matter of law.[6] Opposer's motion for summary judgment is accordingly granted to the extent that applicant is allowed until twenty days from the mailing date of this order to file an express abandonment of the two applications involved in these two consolidated oppositions and to notify opposer that it has done so. If the abandonment is not filed within the time allowed, the Board will enter judgment against applicant and the opposition will be sustained.[7]

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[6] Opposer's standing has been established by the introduction of the settlement agreement which provides evidence of opposer's real interest in this proceeding. See Vaughn Russell Candy Co. v. Cookies In Bloom Inc., 47 USPQ2d 1635 (TTAB 1998).

[7] Any issues relating to applicant's "new" application are not before the Board.